

2012 AGM minutes

The Ordinary General Meeting was held in Gazal Hall, Ritz Carlton Hotel, Kingdom of Bahrain, at 11.30 a.m. on Tuesday 20th March 2012 corresponding to 27th Rabie Al Thani, 1433 Hijra under the Chairmanship of Mr. Mohamed Ali Rashid Alabbar, Chairman of the Board of Directors in the presence of the following:

1. Mr. Habib Ahmed Kassem	Board Member
2. Mr. Ahmed Jamal Jawa	Board Member
3. Shaikha Hessa bint Khalifa bin Hamad Al Khalifa	Board Member
4. Mr. Yousif Taqi	Board Member & Chief Executive
5. Mr. Khalid Ahmed Al Aashar	Board Secretary - Rapporteur
6. Shaikh Adnan Abdullah Al Qattan	Member of the Fatwa & Shari'a Supervisory Board
7. Dr. Mohammed Arbouna	Member of the Fatwa & Shari'a Supervisory Board and the Bank's Head of Shari'a Compliance
8. Mr. Mohamed Hassan	Representative of the Ministry of Industry & Commerce
9. Mr. Hussain Sharaf	Representative of the Central Bank of Bahrain
10. Mrs. Hamsa Saeed	Representative of the Central Bank of Bahrain
11. Mrs. Fatima Al Ansari	Representative of the Bahrain Stock Exchange
12. Mr. Ahmed Qassim	Representative of KPMG Fakhro, Share Registrar
13. Mr. Abdul Qader Al Afya	Representative of KPMG Fakhro, Share Registrar
14. Mr. Isa Al Jowder	Representative of Ernst & Young, External Auditor
15. Mr. Ashwani	Representative of Ernst & Young, External Auditor

The said meeting was held to discuss the following agenda which was previously published in the local newspapers before the date of the meeting according to the legal requirements. The agenda consisted of the following items:

1. To approve the minutes of the previous AGM meeting held on 22 February 2011.
2. To discuss and approve the Board of directors' report on the Group's activities for the year ended 31 December 2011.
3. To receive the Shari'a Supervisory Board report for the year ended 31 December 2011.
4. To receive the external auditor's report for the year ended 31 December 2011.
5. To review and approve the financial statements for the year ended 31 December 2011.
6. To appropriate the net profit for the year upon the recommendations of the Board of directors as follows:

- a. Transfer of BD139,000 to statutory reserves.
- b. Allocation of BD100,000 for charities and donations.
7. Adoption of the report on Corporate Governance of the Bank.
8. To absolve the members of the Board from liability for their actions during the year ended 31 December 2011.
9. To appoint or re-appoint members of the Shari'a Supervisory Board for the next three years.
10. Re-appoint Ernst & Young as external auditors for the year ending 31 December 2012 and authorize the Board of Directors to determine their remuneration.
11. Elect the members of the Board of Directors for the next term of three years.

The meeting was opened by Mr. Mohamed Alabbar who thanked the members for attending the meeting. Then, he declared that the General Meeting has a quorum of 61.72% of the shareholders, which means that the meeting is validly convened according to Article 49 of the Bank's Articles of Association.

Then, the following topics on the agenda were discussed:

1. Approving the Minutes of the Previous General Meeting:

Approving the minutes of the Ordinary General Meeting held on Monday 22nd February, 2011.

- **Resolution: The General Meeting approved unanimously the minutes of the previous Meeting.**

2. Reviewing the Directors' Report:

Mr. Mohammed Ali Rashid Alabbar read out the Directors' report and presented to the Shareholders a synopsis about the Bank's activities and operations during 2011.

- **Resolution: The General Meeting unanimously approved the Directors' report.**

3. Reviewing the Fatwa & Shari'a Supervisory Board's Report:

Shaikh Shaikh Adnan Abdullah Al Qattan, Representative of the Fatwa and Shari'a Supervisory Board read out the Board's Report. He explained the activities undertaken by the Board focusing on exercising the Shari'a supervision of the Bank's operations and investments. Following a discussion of the report, it was approved by the General Meeting.

- **Resolution: The General Meeting unanimously approved the Fatwa and Shari'a Supervisory Board's report.**

- Purifying the prohibited income earned by the Bahraini Saudi Bank as per the CBB's request:

Dr. Mohammed Arbouna, the Bank's Head of Shari'a Compliance, read the report pertaining to Purifying the prohibited income earned by the Bahraini Saudi Bank.

- **Resolution: The General Meeting unanimously approved the Fatwa and Shari'a Supervisory Board's report regarding purifying the prohibited income earned by the Bahraini Saudi Bank as per the CBB's request.**

4. Reviewing the External Auditors' Report about the Financial Statements for the Period ended on 31st December, 2011:

Mr. Isa Al Jowder, representative of Messrs. Ernst & Young (External Auditor) read out the report and confirmed the soundness of the financial statements which were prepared according to the International and Islamic Accounting Standards. After some deliberations and inquiries the report was approved.

- **Resolution: The General Meeting unanimously approved the report of the Auditors (External Auditors) about the financial statements for the period ended on 31st December, 2011.**

5. Discussing the Financial Statements for the Period ended on 31st December, 2011:

The Shareholders present discussed the financial statements for the period ended on 31st December, 2011.

- **Resolution: The General Meeting unanimously approved the financial statements for the period ended on 31st December, 2011.**

6. Approving the Directors' recommendation for Appropriation of the net profits and Retained Earnings as follows:

- Transfer of a sum of BD31,000 to the legal reserve.
- Appropriation of a sum of BD100,000 for donations and charity.

The General Meeting took note of the Directors' recommendation with respect to appropriations and distributions.

- **Resolution: The General Meeting unanimously approved the aforesaid appropriations.**

7. Adoption of the report on Corporate Governance of the Bank.

The General Meeting took note of the Bank's Corporate Governance report.

- **Resolution: The General Meeting approved the Corporate Governance report.**

8. Absolving the Directors from liability for their acts during the financial year ended on 31st December, 2011.

The General Meeting approved absolving the Directors from liability for their acts during the year.

- **Resolution: The General Meeting unanimously approved absolving the Directors from liability for all their acts during the period ended on 31st December, 2011.**

9. To appoint or re-appoint members of the Shari'a Supervisory Board for the next three years.

The General Meeting reviewed the Corporate Governance Plan and Compliance with it.

- **Resolution: The General Meeting approved to re-appoint members of the Shari'a Supervisory Board for the next three years. It also agreed to add a new member to the Supervisory Board who is Dr. Mohammed Arbouna.**

10. Re-appoint Ernst & Young as external auditors for the year ending 31 December 2012 and authorize the Board of Directors to determine their remuneration:

- **Resolution: The General Meeting unanimously approved the appointment of Messrs. Ernst & Young as the External Auditors for the period ended as at 31st December, 2012, and reconsider the appointment of the auditor next year.**

11. Elect the members of the Board of Directors for the next term of three years:

Eleven members were elected, as the vote count was carried out under the supervision of a committee comprising representatives from the share registrars, Ministry of Industry and Commerce and a shareholders' representative.

- **Resolution: Mr. Habib Kassem read out the elections results where the General Assembly elected 11 members according to the following sequence:**

- 1. Mr. Yousif Abdulla Taqi**
- 2. Shaikha Hessa bin Khalifa Al Khalifa**
- 3. Mr. Fahad Sami Al Ebrahim**
- 4. Mr. Salman Saleh Al Mahmeed**
- 5. Mr. Hamad Tarek Alhomaizi**
- 6. Mr. Habib Ahmed Kassem**
- 7. Mr. Hussain Mohammed Al Meeza**
- 8. Mr. Adnan Abdullah Al Bassam**
- 9. Mr. Essam bin Abdulkadir Al Muhaidib**
- 10. Mr. Salem Rashid Al Muhannadi**
- 11. Mr. Mohammed Omeir Yussef**

Accordingly, the standby members were:

- 1. Mohamed Rashid Alabbar**
- 2. Abdul Rahman Ahmed Senan**

At the end of the meeting, Mr. Habib Ahmed Kassim expressed his thanks and appreciation to the Central Bank of Bahrain, Ministry of Industry & Commerce and Bahrain Bourse and KPMG Fakhro (share registrars) for their continued support to the Bank and to H.E. Mohamed Alabbar, the Board Chairman, for managing the meeting and wished everyone further progress and success.

Habib Ahmed Kassim

Vice Chairman

Khalid Ahmed Al Aashar

Board Secretary